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Seminar on the Role of Commercial Banks in the Clearing and Payments Arrangements

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THE ROLE OF COMMERCIAL BANKS IN THE PROMOTION OF INTRA-AFRICAN TRADE

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1. Introduction

The role of commercial banks in the promotion of intra-African trade should be seen within the overall effort to reverse the current declining trend with respect to that trade. Work in this respect should be undertaken at the national, subregional and regional levels.

Table 1 shows that the highest share of intra-African trade in total trade of independent African countries was achieved in 1970 when it was 5.9 per cent. It went down to 4 4 per cent in 1974 and to 4.2 per cent in 1976. The declining trend was probably arrested in 1977, when the share of intra-African trade in total trade of African countries remained at about the same level as in 1976. In that year exports of African countries amounted to about US$1.6 billion and in 1977 the share of intra-African trade in total Africa's estimated world trade was 4.1 per cent. For the latter year the share of the different African subregions in total intra-African trade was as follows: Central Africa 12 per cent, Eastern and Southern Africa 23 per cent, West Africa 43 per cent and North Africa 22 per cent.

Table 1: Current values and share of intra-African trade in total trade of developing African countries

(in US$ million)

	Total trade			Intra-African trade			Intra-African trade as Percentage of total trade		
Year	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports	Total
1970	10 925	12 284	23 209	696.5	666.4	1 362.9	6.4	5.4	5.9
1971	12 362	12 789	25 151	703.8	708.2	1 412.0	5.7	5.5	5.6
1972	13 594	14 906	28 500	741.1	755.1	1 496.2	5.4	5.1	5.2
1973	17 607	21 038	38 645	915.5	1 024.4	1 939.9	5.2	4.9	5.0
1974	27 494	38 812	66 306	1 409.0	1 512.9	2 912.9	5.1	3.9	4.4
1975	37 546	34 577	72 079	1 641.9	1 635.3	3 277.2	4.5	4.7	4.6
1976	39 657	41 227	80 884	1 753.8	1 651.8	3 405.6	4.4	4.0	4.2
1977a/	48 804	47 055	95 859	1 981.2	1 944.2	3 925.4	4.1	4.1	4.1

a/ Estimates

Source: 1. United Nations: Yearbook of International Trade Statistics, 1968-1976.

2. IMF: Direction of trade, Annual, 1970-1974 and 1968-1975.

3. National Publications, documents and various journals on Africa.

Although the tendency towards import substitution may be considered as partly responsible for the relative decline in intra-African trade, there are many indications that this is not a decisive factor in changing the upward trend which characterised this trade up to 1971 into a declining one up to 1977. This was because the tendency towards import substitution was only especially strong during the 1960s at a time when intra-African trade had been steadily rising. Be that as it may, it is interesting to note that the clearly identified declining trend in intra-African trade actually corresponded with the period of accentuated monetary instability in the world particularly from the beginning of the 1970s and the prolonged recession in Western countries (from 1974) which decreased the expected demand for and prices of their major export products, resulting in a reduction of their overall purchasing power. The declining trend is also closely linked with the long-term trend towards increasing imports of capital goods and industrially produced raw materials (synthetics, plastics, rolled metal products etc.) and with imports of ingredients and components from industrial countries. These imports contributed to a certain degree towards the modernization of both production and consumption patterns, but many African countries have failed to maintain a reasonable balance in this regard. The imports of foreign produced raw materials, ingredients and components have gradually absorbed ever increasing portions of the available foreign exchange, thus reducing the means of payments for imports from neighbouring and other African countries. In addition, sharp rises in petroleum prices have further diminished the ability of African countries to import not just from outside but also from within the region. The only Africa subregions where serious attempts have been made to replace payments in convertible currencies by payments in national currencies are West and Central African through the West African Clearing House and the proposed Central African Clearing and Payments Union, currently being established. Under the prevailing circumstances, it appears that the present acute shortage of convertible currencies among the great majority of African countries will continue for sometime to come. This indicates that there exists an urgent need to establish viable subregional payments system, within subregional institutional trade arrangements, at the initial stage, and later on an all Africa level for the time being on subregional basis.

II. Trade liberali . ion and economic co-operation

The need to overcome the problem of small national markets has long been felt in Africa, as in some other countries of the developing world. As a result, a number of trade and economic integration institutions came into being. Thus, in October 1964, the Maghreb Permanent Consultative Committee was established by Algeria, Libya, Morocco and Tunisia, from which Libya withdrew in 1970 but which Mauritania joined in 1975. At the end of the same year, the Central African Customs and Economic Union (UDEAC) was established by Cameroon, Central African Republic, Congo and Gabon. In 1966, the French-speaking African countries established the African and Malagasy Common Organization (OCAM). In 1967 the East African Community was established by Kenya, Tanzania and Uganda. In 1968, the Economic Union of Central African States (UEAC) was established, between Chad and Zaire. The Council of Entente States, comprising five West African countries (Benin, Ivory Coast, Niger, Togo and Upper Volta) played a major role in the gradual development of the economic co-operation among the member States. This resulted in the establishment of the West African Economic Community (CEAO). Experience, in this

respect, has shown that there are some weaknesses in small integrational groupings, which as a rule have proved restrictive as regards the extension of membership. In the case of the East African Community such weaknesses have led to a complete collapse of the system.

The establishment however of the Economic Community of West African States (ECOWAS) in March 1976 and the Lusaka Ministerial Declaration of March 1978 announcing on the "intent and commitment" for the establishment of the Preferential Trade Area (PTA) for the Eastern and Southern African States, indicate the existence of a tendency towards broadly based economic groupings covering all the countries of the respective subregions. The modest start envisaged within Eastern and Southern Africa in fact, is clearly seen as the first step towards the establishment of a common market and ultimately an economic community. Various developments are envisaged during the first phase, both to complement the trade liberalization measures and to prepare the ground for transition into a higher form of trade liberalization and economic integration.

A common feature in this respect is the broad coverage of the countries involved in the integration of schemes in both West and Eastern and Southern Africa. On the other hand, considerable differences exist within the two subregional arrangements in question. For instance, action on the removal of tariff and non-tariff barriers with respect to the West African trade arrangements has not yet been undertaken. Here, it was recently decided that 1 January 1978 could be the beginning of a standstill period, which according to the ECOWAS Treaty, is planned to last for two years. Removal of trade barriers is, however, the subject of intensive studies, currently being carried out by an ECA/UNCTAD team of experts in collaboration with the ECOWAS Secretariat.

The Government officials of Eastern and Southern African States have, however, given priority to work on removal of trade barriers. Following the Lusaka Ministerial Declaration of March 1978, an Intergovernmental Negotiating Team (INT) was established, which negotiated and decided on Principles on which future subregional co-operation could be based. The INT, in its turn, decided inter alia, at its inaugural meeting that a priority task should be the preparation of the lists of products to be traded within the PTA with a view to speeding up the removal of barriers to trade; and on, among others, the working out of appropriate rules of origin. The draft Rules of Origin have not practically been completed and agreed by the INT. This will be followed by offerings of preferential trade concessions within the subregion and by protocols on transport and communications, transit trade and transit facilities, trade facilities and standardization of trade documents, standardization and quality control of trade goods, clearings and payments as well as on others, to mention but a few of them. However, it is expected that the PTA could start operations sometime in 1981.

It is envisaged that similar activities would be carried out in Central and Northern Africa. In fact, actual work has already been started in the Central African subregion by carrying out the required basic studies in this respect. In order to meet the challenge in this and other subregions the ECA Multinational Programming and Operational Centres (MULPOCs) have been established in Tangier (for North Africa), Yaounde and Giseny (for Central Africa), Niamey (West Africa) and

in Lusaka (Eastern and Southern Africa). In the longer run, the present ECA efforts are expected to lead to the amalgamation of the subregional trade liberalisation and economic integration schemes into a Pan-African economic union.

III. Commercial banks during the colonial era

The establishment of commercial banks and indeed various other financial intermediaries in Colonial Africa by the Metropolitan countries was in direct response to a need for the type of institution in question. In the case of commercial banks the main role they were destined to play was to finance the ever-increasing trade with the colonies. The banks, which were by nature of their incorporation mere branches with headquarters in the metropolitan cities, operated as field offices in complete dedication to the interests of the economies of the mother countries.

Another need the commercial banks satisfied was the provision of banking facilities for the expatriate population who normally enjoyed such services in their countries of origin as well as enabling the Governments and Companies for which they worked to get round the cumbersome and sometimes costly method of shipping out currency to creditor countries in settlement of trade transactions.

The inevitable consequences of the above-stated practices included the continuous outflow of resources from the colonies to swell the coffers of the head offices in the metropolitan cities at the expense of the local economies. At the same time the absence of a deliberate policy to educate the local population whose capacity to save was in any case almost nil, due to the low wages paid to them, meant that the commercial banks catered for the needs of foreign commercial interests only.

While it is not possible for the purposes of this paper to give a detailed account of the role of commercial banks during the colonial days, it can however be said, from the foregoing short expose, that their establishment was motivated by purely trade interests and the huge profits resulting therefrom for the exclusive benefit of the colonizing powers.

The establishment of indigenous commercial banks in Nigeria at that particular time was intended to fill the gap vis-à-vis credit availability to local enterprises and the mobilization of domestic financial resources. In the initial stages the indigenous banks faced stiff competition from the well established and experienced foreign banks which was coupled with lack of trained managerial staff. All the same as soon as they were able to fulfill their objectives the indigenous banks provided much needed credit and other services to their local clients.

IV. The post-independence era

With the attainment of independence by the majority of African countries during the 1960s commercial banks have gradually assumed the role of agents in domestic capital formation by finalizing savings and channelling them to the

needs of industry and agriculture and ancillary services. This resulted from a radical change in the policy outlook of the expatriate commercial banks.

While previously they used to invest abroad a considerable part of the surplus funds at their disposal these funds are now regularly being invested in the countries in which they operate, working balance only being held with correspondent banks abroad, a practice also used by domestic commercial banks. This change of attitude by expatriate commercial banks has been brought about by legislative measures introduced in the various countries after the establishment of central banks, some of which have included outright nationalization of foreign commercial banks.

The creation of treasury bills and government stock have given the means to invest in the growing domestic economic sectors with its demand for short-and medium-term credit thereby enlarging the possibilities of normal banking business. This is because commercial banks are the main buyers of Government securities in the majority of African countries.

The result of the various measures taken to bring the operations of foreign commercial banks under the control of the central banks has been the sudden growth in the demand and the time and savings deposits, as well as in loans and advances to various sectors of the economies particularly agriculture, in compliance with credit policies as laid down in development plans.

Table 2 (annex 1) shows the average annual rate of growth in respect of demand and time deposits of commercial banks in selected African countries. Except in the case of Ethiopia where it fell from 21.5 to 12.8 per cent and 48.0 to 14.1 per cent in respect of demand and time and savings deposits respectively, the growth rate for the period 1971-1977 generally more than doubled over the 1960-1970 period ranging from 2.1 to 25.5 per cent and from zero to 19.4 per cent. In some countries the growth rate for time and savings deposits was much greater than that in the demand deposits resulting in surplus liquidity as, for instance, the case of Libya. This normally leads to a situation where commercial banks are not able to find adequate investment outlets due, in certain cases, to foreign exchange constraints.

However, the growth rate of time and savings deposits in some of the countries is unusually high (85.4 per cent). Whatever the case may be, the table indicates a remarkable increase in the mobilization of domestic financial resources a favourable tendency for future commercial banking activities in the African region provided the foreign exchange component of the required level of investment could be obtained.

V. Commercial banks and intra-African trade promotion

Institutional changes and adjustments, including preferential tariff reductions and relaxation of non-tariff barriers, as well as the building up of subregional trade and payments institutions to facilitate expansion of trade and stimulate economic co-operation, are either expected to operate soon or currently being established or envisaged for the near future. Related institutional infrastructure, however, is therefore a significant feature of this effort.

Commercial banks are among the key relevant existing institutions, along with the ministries of trade, export promotion bodies and chambers of commerce which constitute the channels for expanded intra-subregional trade.

In a nutshell the following are the proposed major functions of commercial banks in strengthening commercial ties and expanding trade relations among the African countries in addition to their traditional function of financing mainly foreign trade:

(a) The establishment of a trade promotion or trade advisory service division or department (if non-existent). A number of commercial banks in Africa have already such units, and as a rule they have proved to be very useful to both the clients and the banks.

(b) Collection of up-to-date information on export products and their availability for export; and dissemination of such information to its correspondent banks abroad and to customers;

(c) Channeling of trade enquiries received from abroad to interested customers and institutions in the home country;

(d) Close co-operation with trade promotion bodies and chamber(s) of commerce on matters related to trade promotion in general and harmonization and simplification of trade documentation and trade procedures as related to banking in particular;

(e) Publication of commercial news of interest to clients unless this is done by some other institution(s) is an important activity in this respect. This may well include the publication of a trade directory with a view to the promotion of intra-African trade at the national, subregional and regional levels;

(f) Participation in financing particular trade promotion activities which involve relatively large amounts of money (trade missions, trade fairs, national advertising campaign etc).

To sum up commercial banks should increasingly play a major role in bringing about accelerated trade expansion at the national, subregional and regional levels and to assist in the establishment of closer trade and economic relations among African countries in this connexion. More appropriate organization of African trade and economic relations need creative ideas and a dynamic approach to overcome the difficulties facing the continent in this respect. Success will, however, depend to a great extent, on commercial banks which are among the most important institutions engaged in intra-African trade and international business operations.

VI. Trade credit risks

Entrepreneurs engaged in ex ort trade whether on a subregional or intra-subregional basis are usually faced with the problem of obtaining adequate resources

needed to cover commercial, institutional and political risks. Commercial risks arise from the buyers default to pay, buyers unwillingness to accept the goods ordered either because they do not meet quality standards or for other reasons; and from the buyers' insolvency. Institutional risks result from the insolvency or default by the supplier or manufacturer and insolvency or default by the bankers in the foreign country which opened the letters of credit. Political risks on the other hand, arise out or action by governments resulting in exchange transfer restrictions, delays in the execution of contracts, import restrictions and a host of other restrictive regulations.

Usually exporters requiring such credit operate on a small-scale basis and are therefore unable to provide the requisite collateral security for loans. Commercial banks and other similar institutions do face the problem of establishing the creditworthiness of indigenous exporters as well as of determining their credit requirements and obtaining information on their ability to conform with the terms of credit once it has been provided.

From the point of view of commercial banks who, true to their calling, would like to have as much business as their funds can permit, a number of points have to be taken into consideration. Among these mention should be made of the need to safegaurd the interests of the public whose funds are used if runs on banks are to be avoided. There is also the problem or risk of financing exports of new products, especially if these are relatively small in volume and value and do not have a market that is fully assessed. With or without government backing, political uncertainties aggravated by civil disturbances and conditions of war combine to make export trade rather hazardous and unattractive not only to would-be enterpreneurs but also to commercial banks.

In spite of these fears which appear to be more imaginary than real and tend to justify the existence and continuation of trade links between the developed and the developing countries, the need to provide credit for the expansion of intra-African trade assumes more meaningful proportions. It is difficult to imagine how otherwise financing of intra-African trade can be undertaken if commercial banks which hold almost all the mobilized domestic financial resources shy away from their responsibilities.

Commercial banks like any other financial institution have been established in response to a need for them. They cannot therefore afford to sit back and let business come to them. They have to go out of their way not only to find the business, but also to create such business. This requires more than just good sales talk. It demands on their part a basically active and constructive policy which conforms with the major aims of the economic growth of the countries in which they operate.

One possible way in which commercial banks can minimize the risks inherent in export credit, and indeed also in financing working capital for production, storage and marketing of commodities would be the collective approach. Formation of consortia which would enable them to pool resources for a particular venture is not new to the world of banking and should therefore be tried wherever possible. This pragmatic step would even be extended to include other financial intermediaries such as development banks and insurance companies.

VII. Export credit guarantee

The alternative to the pooling of resources would be for the commercial banks to support the establishment of export-credit financing and export credit insurance schemes. Needless to say it would be in the interest of commercial banks to subscribe to the capital of such organizations at the rate permitted by the government to ensure representation on their boards.

The export credit guarantee element of such schemes is meant to provide a facility whereby exporters, particularly those operating on a small-scale, can obtain pre and post-shipment credit. This can take the form of "suppliers' credits" which are provided by a credit institution in the exporters' country to enable the foreign buyer to make cash purchases from the exporter. The scheme also guarantees that credits granted will be repaid to the commercial banks.

Under pre-shipment financing the exporter is afforded the opportunity to obtain the funds he requires to finance purchases between the time the order is received and the shipment of the consignment. Such credit is normally provided for one year subject to renewal in subsequent years depending on the nature of the goods involved. Once the goods have been shipped the exporter requires access to capital until such time that the proceeds on the transaction have been received. This could be done under post-shipment financing. In cases where delays in realizing the proceeds do occur credit under post-shipment financing could be arranged on short-term or long-term basis.

Export credit insurance which covers both commercial and non-commercial risks refers to a series of arrangements an export credit insurance institution makes to indemnify exporters against losses arising from failure by the importer to meet his financial obligations for one reason or another after the goods have been shipped. The success or failure of export credit financing and export credit insurance institutions will largely depend on the support it obtains from commercial banks since they are the primary source of institutional finance for exporters. Existing services to exporters do not adequately cover the small-scale and medium-size operators and since government policy is likely to favour the development of indigenous skills in the export business, commercial banks have of necessity to contribute towards such efforts.

VIII. The role of commercial banks in clearing and payments operations

One of the obstacles to the development and expansion of intra-African trade is the existence on the continent of different monetary zones and payments systems which have been inherited from the colonial past. The most important of these are the French zone and the Sterling zone. The problem is further compounded by the fact that trade settlements are made in the major reserve currencies such as the US dollar, the French Franc and the Pound Sterling and the payment orders for bills are therefore processed by foreign banks situated in the United States, Paris and London.

The adverse consequences of this state of affairs include delays in settling payments, the accompanying high costs involved which have to be paid for services rendered by intermediaries and the use of the scarce foreign exchange reserves for non-essential items. The existence of exchange controls in the majority of the countries further aggravates the situation by introducing a certain amount of rigidity in transactions resulting in exessively long and costly administrative procedures in monetary transfer operations.

It is with a view to minimizing or to a certain extent removing these defects in an effort to expand intra-African trade that clearing and payments arrangements are sought to be established. The broad objectives of all clearing and payments arrangements are:

(a) To promote the use of the currencies of the participating countries in trade and other transactions;

(b) To economize on the foreign reserves of the countries concerned;

(c) To encourage the liberalization of trade among the countries of the area; and

(d) To promote monetary co-operation and consultations among the members of the clearing system.

In any clearing and payments arrangements the proceudres both in the paying and receiving countries revolve around commercial banks. It is they which serve as the main intermediaries between traders in different countries. This they achieve through the establishment of correspondent relationships among themselves and it is through their participation that central banks are able to foster trade links and monetary co-operation among their respective countries.

The operations of the West African Clearing House give a good example of the role played by commercial banks. Under that system "the procedure is that the commercial bank which is effecting a customer's payment order in favour of another individual in another country in the subregion delivers the order to the Central Bank in its own country. The Central Bank in question notifies the Clearing House and at the same time sends the order to the Central Bank in the beneficiary's country. On receiving the notification, the Clearing House credits the Central Bank in the beneficiary's country and debits that of the country in which the sender resides. Similarly the Central Bank in the beneficiary's country on receiving the order credits the beneficiary's commercial bank which will in the final analysis effect payment to the beneficiary" 1/ as in the following chart:

Explanation of the flow chart
in respect of clearing procedure
for all payments
(except those in respect of letters of credit)

1. A resident in an exporter country (to be called country A) sends goods or renders services to an importer in the importer country (to be called country B).

2. The importer in country B makes payment for the goods or services to his commercial bank in country B for transmission to the exporter.

3. The same importer in country B will advise the exporter in country A that he has made payment to his commercial bank in Country B for remittance to the exporter in country A.

1/ The West African Clearing House-an experiment in multilateral monetary co-operation in West Africa.

For other remittances which do not involve goods and services such as remittances for educational purposes, the payer will also advise the beneficiary (payee).

4. The commercial bank in country B sends a transfer or payment order to the Central Bank in country B having deposited the funds collected.

5. The Central Bank in country B will advise the Central Bank in country A of the amount in the West African Unit of Account (WAUA) to be paid to the named beneficiary in country A, through his commercial bank.

6. The Central Bank in country B will at the same time inform the West African Clearing House of the amount to be paid to the Central Bank in country A in WAUA.

7. The West African Clearing House will debit the account of the Central Bank in country B and credit the account of the Central Bank in country A, advising both central banks accordingly.

8. The Central Bank in country A will then pay the commercial bank of the beneficiary in country A the amount it had been advised by the Central Bank in country B as having been received for the beneficiary in country A.

9. The commercial bank in country A will pay accordingly the amount received to the beneficiary in country A.

The procedure followed by the West African Clearing House is equally applicable in bilateral payments arrangements.

For clearing and payments arrangements to operate successfully it is clear that designated commercial banks have not only to establish correspondent relationships with each other but also undertake a campaign to educate the traders as regards both the existence and value of the such arrangements.

TABLE 2: DEMAND, TIME AND SAVINGS DEPOSITS IN COMMERCIAL BANKS IN SELECTED AFRICAN COUNTRIES

	Country	Unit of Currency	1960	1970	1971	1972	1973	1974	1975	1976	1977	Aug.1978	Average Annual Rate of Growth 1960-1970	1971-1977	1977-1978
1.	BENIN	CFA FRANCS (B)[1]													
	Demand deposits		1.51	4.52	[illegible]	6.11	5.38	8.68	17.26	14.70	17.60	-	11.6	19.9	-
	Time deposits		.10	.40	.74	1.19	2.46	2.72	4.99	5.00	5.60	-	14.8	40.0	-
	Capital accounts														
2.	CAMEROON	CFA FRANCS (B)													
	Demand deposits		6.40	18.02	20.06	23.15	30.13	41.40	42.83	51.56	76.84	77.85	12.6	24.2	1.3
	Time deposits		.64	6.39	7.71	9.96	12.65	19.04	27.03	37.92	56.87	68.15	28.0	39.5	19.8
3.	CENTRAL AFRICAN EMPIRE	CFA FRANCS (B)													
	Demand deposits		1.10	2.23	2.30	3.07	3.24	4.39	4.19	7.74	6.71	8.04	7.3	19.5	19.8
	Time deposits			.80	.79	.80	1.02	1.02	1.30	1.68	2.29	1.85	-	19.4	13.2
4.	CHAD	CFA FRANCS (B)													
	Demand deposits		1.08	3.00	2.78	3.25	3.55	3.41	4.55	6.42	7.92	8.87	10.9	19.1	1.9
	Time deposits		.05	.58	.51	.46	.81	.82	1.09	1.33	1.20	1.80	27.8	15.3	50.0
5.	CONGO	CFA FRANCS (B)													
	Demand deposits		4.06	6.62	6.93	6.43	7.44	11.48	11.49	14.43	14.23	14.96	5.0	13.7	5.1
	Time deposits		.36	.88	1.09	1.22	1.37	1.74	2.08	2.47	3.87	4.59	9.4	23.5	18.6
6.	EGYPT	EGYPTIAN POUNDS (M)[2]													
	Demand deposits		169.3	2[illegible]7.5	[illegible]6.5	337.3	424.8	553.0	706.[illegible]	948.8	1 193.5	1 274.1	4.5	26.8	6.7
	Time deposits		79.3	269.7	338.1	269.9	331.3	497.6	647.2	829.1	1 109.8	1 404.7	13.0	30.2	21.1
7.	ETHIOPIA	BIRR (B)													
	Demand deposits		14.9	104.8	104.8	114.8	179.1	161.5	194.0	215.0	215.6	320.4	21.[illegible]	1[illegible]	18.[illegible]
	Time and Savings deposits		3.7	186.5	214.6	208.2	303.3	338.7	391.8	448.9	473.9	645.6	48.0	14.1	4.7
8.	GABON	CFA FRANCS (B)													
	Demand deposits		2.51	7.05	8.08	10.38	12.67	22.09	33.80	67.97	64.41	48.33	10.8	41.5	25.0
	Time and Savings deposits		0.9	.86	.83	1.26	3.21	5.80	11.83	28.25	31.81	29.95	25.3	80.4	11.4
9.	GHANA	CEDIS (M)													
	Demand deposits		47.2	150.9	159.2	219.9	290.9	320.0	494.6	679.0	1 119.6	1 381.3	12.3	38.4	23.4
	Time and Savings deposits		25.8	121.2	153.6	205.1	259.8	307.7	377.9	474.0	681.2	909.5	16.7	27.2	19.7
10.	IVORY COAST	CFA (B)													
	Demand deposits		8.32	42.07	43.19	49.95	59.53	82.83	87.91	151.69	243.38	190.91	17.6	33.4	21.5
	Time and Savings deposits		4.62	23.84	29.52	19.67	39.97	60.40	64.72	89.65	141.40	192.91	18.6	33.0	36.4
11.	KENYA	KENYA SHILLINGS (M)													
	Demand deposits		642	1 673	1 833	2 106	2 825	2 881	3 249	4 079	6 189	5 902	10.1	22.5	4.6
	Time deposits		222	1 095	1 181	1 265	1 494	1 803	2 274	2 780	3 986	4 828	17.3	22.5	21.1

[1] Currency expressed in billions
[2] Currency expressed in millions

	Country	Unit of Currency	1960	1970	1971	1972	1973	1974	1975	1976	1977	Aug.1978	Average Annual Rate of Growth 1960-1970	1971-1977	1977-1978
12.	LIBYA	DINARS (M)													
	Demand		10.1	76.5	141.3	153.3	178.4	311.1	335.7	490.9	425.1	-	22.4	20.1	-
	Quasi money deposits		5.9	39.3	53.5	95.3	193.2	257.7	246.9	294.4	348.2	-	20.9	39.7	-
13.	MALI	MALI FRANCS (B)													
	Demand deposits		1.62	8.11	8.57	10.18	11.14	22.51	24.92	25.26	5.51	37.46	17.9	19.9	46.8
	Time deposits		.15	.45	.48	.84	.62	.27	1.15	1.27	2.33	6.46	11.6	30.1	177.2
14.	MAURITANIA	OUGUIYAS (M)													
	Demand deposits		63	600	598	708	778	1 407	1 464	2 368	2 386	-	25.3	26.0	-
	Time deposits		12	104	91	117	388	507	768	825	703	-	24.1	41.3	-
15.	MAURITIUS	RUPEE (M)													
	Demand deposits		100.9	121.8	134.4	201.9	265.0	468.8	630.2	506.5	525.3	513.6	2.1	25.5	3.5
	Time deposits		16.4	171.1	201.2	259.3	375.9	755.5	892.8	964.5	1 124.9	1 289.3	26.5	33.0	14.6
16.	MOROCCO	DIRHAMS (M)													
	Demand deposits		1 407	2 650	3 042	3 544	4 326	5 348	6 883	7 837	9 449	541	6.6	20.8	1.0
	Time deposits		227	408	476	547	690	1 017	1 437	1 756	2 180	2 673	6.0	28.9	22.6
17.	NIGER	CFA FRANCS (M)													
	Demand deposits		797	3.552	4.111	4 722	6 421	7 593	10.069	10 672	16 610	20 780	16.1	26.2	25.1
	Time deposits		90	766	1 564	1 520	1 883	2 678	2 173	4 461	5 310	10 240	23.9	22.6	9.28
18.	NIGERIA	NAIRA (MA)													
	Demand deposits		82.2	289.0	285.3	336.9	410.7	720.7	1 266.8	2 185.1	2 980.1	-	13.4	48.0	-
	Time and Savings deposits		54.8	336.7	371.8	456.9	582.3	971.2	1 572.4	1 979.2	2 255.1	-	19.9	35.1	-
19.	SENEGAL	CFA FRANCS (B)													
	Demand deposits		10.54	17.26	17.35	20.99	23.00	36.89	42.85	58.63	66.70	69.49	5.1	25.2	4.2
	Time deposits		89	2.77	2.84	3.72	8.17	9.99	10.92	18.76	21.85	28.79	12.0	40.0	31.8
20.	SIERRA LEONE	LEONE (M)													
	Demand deposits		5.78	9.67	11.23	13.39	17.21	21.66	21.66	30.33	31.94	43.93	5.3	19.0	37.5
	Time and Savings deposits		3.26	14.34	15.55	17.60	22.99	29.69	31.32	39.83	51.77	72.42	15.9	22.2	39.9
21.	SOMALIA	SOMALI SHILLINGS													
	Demand deposits		41.4	66.4	154.5	205.5	239.0	290.9	379.9	464.8	593.6	657.9	4.7	25.4	5.7
			11.4	31.3	57.9	77.0	100.8	154.1	178.9	203.7	217.6	285.1	10.6	24.7	31.0

	Country	Unit of Currency	1960	1970	1971	1972	1973	1974	1975	1976	1977	Aug.1978	Average Annual Rate of Growth 1960-1970	1971-1977	1977-1978
22.	SUDAN	SUDANESE POUND (M)													
	Demand deposits		14.79	41.37	43.43	60.89	73.5	96.89	118.40	151.47	202.09	259.07	10.8	31.3	16.6
	Time and savings deposits		2.07	13.51	15.34	20.58	28.10	39.96	47.71	61.80	91.68	115.68	20.6	34.7	26.2
23.	TOGO	CFA FRANCS (M)													
	Demand deposits		886.00	5 314.00	5.950.00	6 052.00	9 194.00	16 296.00	11.082.00	18 184.00	19 890.00	29.670	19.6	22.3	49.2
	Time dep sits		108.00	2 509.00	2 234.00	2 079.00	4 364.00	5 384.00	6 718.00	8 270.00	11 630.00	14.680	37.0	31.6	26.2
24.	TUNISIA	DINARS (M)													
	Demand deposits		47.85	117.52	153.08	174.72	201.54	250.61	296.07	305.14	336.64	353.68	9.4	23.2	4.8
	Quasi-money liabilities		3.62	58.21	68.75	76.41	103.04	142.00	197.42	258.49	300.33	310.22	32.0	29.3	9.9
25.	UGANDA	UGANDA SHILLINGS (M)													
	Demand deposits		166.00	527.00	560.00	923.00	1 319.00	1 913.00	1 885.00	2 287.00	2 868.00	-	12.2	31.5	-
	Time and savings deposits		88.00	563.00	536.00	605.00	797.00	859.00	1 486.00	1 743.00	1 614.00	-	20.4	20.2	-
26.	UPPER VOLTA	CFA FRANCS (M)													
	Demand deposits		1.07	2.97	3.37	3.61	5.82	7.26	10.71	13.61	14.67	20.13	10.8	27.3	37.2
	Time deposits		.21	.23	.46	.71	.99	1.16	1.82	4.0	4.79	8.33	0.9	48.0	73.9

Source: International Financial Statistics, 1978 Supplement Vol. XXXI Number 5.
International Financial Statistics, February 1979 Vol. XXXII Number 2.